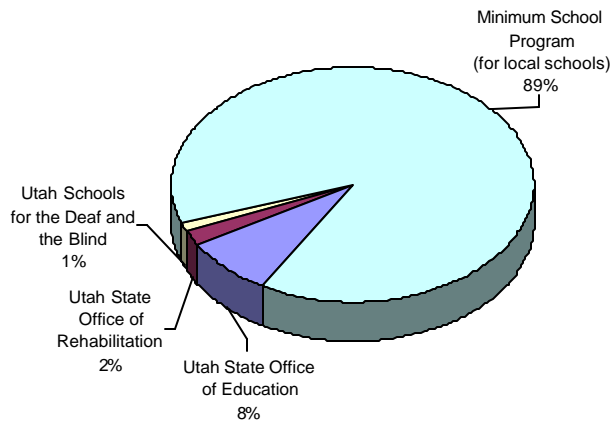




PUBLIC EDUCATION

Phillip Jeffery, Analyst

Where Will My Taxes Go for Public Education? (Figure Based on Total FY 2006 Funding)



Highlighted Services (Including the Governor's Recommendations)

\$2.3 billion for the Minimum School Program

- Provides funding for 40 school districts, with a projected 505,400 students in K-12, based on enrollment, student, district, and taxpayer characteristics

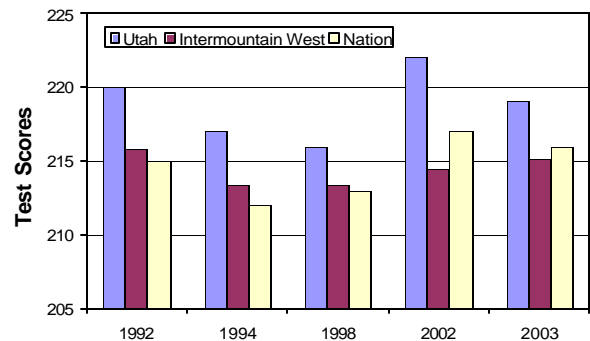
\$23.8 million for Utah Schools for the Deaf and Blind

- Provides comprehensive educational services for children who are deaf and/or blind throughout the state

\$22 million (state funds) for the Utah State Office of Education

- Provides support for school districts concerning federal and state requirements
- Acts as the fiduciary agent in the disbursement of federal funding to local school districts

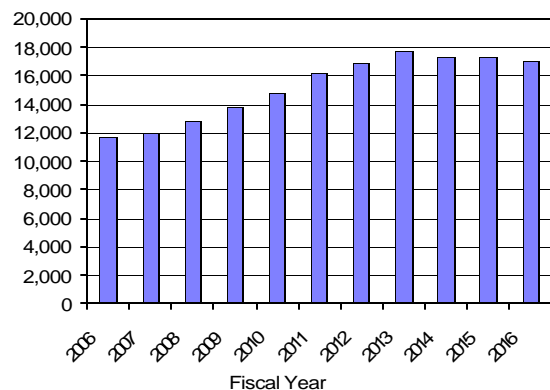
Utah's National Assessment of Educational Progress Fourth Grade Reading Results



Governor's Recommendation Highlights (All Funding Sources)

- \$78.6 million - WPU increase of 5.0 percent
- \$28.5 million - Enrollment growth of 9,718
- \$16 million - Performance Plus II 4th-6th grade math initiative
- \$10 million one-time - Literacy and math materials
- \$5.3 million - Charter Schools Local Replacement Funding growth
- \$6.5 million - UBSCT support (Performance Plus II)
- \$1.0 million - Reading Achievement Program

Projected Annual Growth in School Age Population



BUDGET OVERVIEW

Public education consists of the Utah State Board of Education (USBE), Utah State Office of Education (USOE), Utah Schools for the Deaf and the Blind (USDB), Utah State Office of Rehabilitation (USOR), and the Minimum School Program (MSP). USBE provides policy and fiscal oversight for the agencies and school districts. The MSP provides funding for the 40 school districts that comprise over 800 schools and a projected 505,400 students.

The governor recommends \$2,720,996,900 as the total appropriation for FY 2006. This amount includes \$254,900 from the General Fund and \$1,929,734,300 from the Uniform School Fund, representing a 6.4 percent increase from the FY 2005 authorized amounts.

Teacher and administrative compensation adjustments are funded out of increases in the value of the Weighted Pupil Unit (WPU). Increases to the WPU have not kept pace with inflation, much less the rising costs of insurance. Teacher salaries continue to lag behind those of other professionals. Administrative, staff, and teacher positions have been cut in order to balance rising costs with limited fiscal resources. According to *Education State Rankings 2002-2003*, Utah has the highest pupil-teacher ratios (22 students per teacher), is tied for last in the nation with three other states for the lowest percent of staff working in district administration (0.3 percent), and only pays \$44 per student in administration costs, which is the lowest in the nation (national average is \$137 per pupil).

The FY 2006 recommended MSP appropriation includes a 5.0 percent increase in the value of the WPU (\$78,616,300 in Uniform School Fund) to cover the proposed 3.0 percent cost-of-living salary adjustment and benefit rate increases for school district employees. In addition to fully funding health and dental rate increases, the governor recommends that funding for state employees in USOE, USOR, and USDB include \$1,004,200 in Uniform School

Fund (\$2,018,700 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments.

The National Assessment of Educational Progress (NAEP), also known as the Nation's Report Card, is a nationally representative state assessment into student knowledge in various subject areas. The subtests include areas of reading and mathematics. Based on 2003 results, Utah students perform at or above national averages in fourth and eighth grades. However, when results are stratified by race and ethnicity, Utah's averages are lower than national averages.

NAEP 2003 Mathematics Results

| | Fourth Grade | | Eighth Grade | |
|-----------------------------|--------------|------|--------------|------|
| | Utah | U.S. | Utah | U.S. |
| All Students | 235 | 235 | 281 | 278 |
| White | 238 | 243 | 285 | 288 |
| Black | * | 216 | * | 252 |
| Hispanic | 216 | 222 | 249 | 259 |
| Asian/Pacific Islander | 224 | 246 | 275 | 291 |
| Amer. Indian/ Alaska Native | * | 223 | * | 263 |

**Reporting standards not met, sample size insufficient to permit a reliable estimate*

Governor Walker initiated the Reading Achievement Program in FY 2005 to help every child read at or above grade level by third grade. For FY 2006 the governor recommends funding for a new fourth through sixth grade math program, Performance Plus II.

GOVERNOR'S RECOMMENDATIONS

Utah State Office of Education

Uniform School Fund

- Appropriate \$112,100 in ongoing funds for an education specialist who is needed to implement

2004 General Session legislation that requires integration of civics, citizenship, and service learning into the state curriculum.

Minimum School Program (MSP)

Uniform School Fund

- Appropriate \$16,000,000 in ongoing funds for Performance Plus II, a fourth through sixth grade math program, to help all students perform at or above grade level by sixth grade.
- Fully fund a projected increase of 9,764 students with \$28,518,400 in ongoing funds, which includes \$4,455,400 for Social Security and Retirement.
- Provide \$3,000,000 in ongoing funds for Pupil Transportation for increased prices of buses and fuel.
- Appropriate \$1,600,000 in ongoing funds for partial restoration of FY 2003 cuts to Adult Education.
- Appropriate \$1,100,000 in ongoing funds for student growth in the Youth-in-Custody program.
- Fund the state guarantee of the Board and Voted Leeways program with \$4,784,400 in ongoing funds.
- Appropriate one-time funds of \$5,500,000 to reimburse teachers for the purchase of classroom supplies.
- Appropriate \$1,000,000 in ongoing funds for FY 2006 to replace one-time money allocated to the Reading Achievement Program in FY 2005 to ensure that every child is reading at or above grade level by the third grade.

- Provide for projected growth in Charter Schools Local Replacement Funding with \$5,275,600 in ongoing funds.
- Increase the value of the WPU by 5.0 percent from \$2,182 to \$2,291, or \$78,616,300 in ongoing funds, which includes \$7,359,800 for Social Security and Retirement.
- Appropriate \$2,499,500 in ongoing funds for high cost/low incidence students (special needs students whose individual education costs exceed \$15,000 in a given year).

Other Funds

- School Permanent Trust Fund interest for FY 2006 is projected to be \$10,000,000, representing a \$1,100,000 increase from the FY 2005 appropriated amount. Total allocations for FY 2005 are up \$677,500 for a total of \$9,577,500.
- Use \$1,424,000 in MSP beginning balances in FY 2005 to fund Youth-in-Custody student growth (\$442,000), transportation increases (\$300,000), Electronic High School (\$200,000), and a National Geographic endowment match (\$300,000).

Utah State Office of Rehabilitation

Uniform School Fund

- Fund two full-time benefit planning specialists with \$130,000 in ongoing funds.
- Fund program growth and operations for the Deaf/Hard of Hearing Division with \$117,000 in ongoing funds.

PUBLIC EDUCATION

Operating Budget

| Governor Walker's Recommendations | | | | | | | |
|--|------------------------|------------------------|--------------------|------------------------|------------------------|------------------------------|------------------------|
| | Actual FY 2004 | Authorized FY 2005 | Supple- mentals | Recommended FY 2005 | Base FY 2006 | Ongoing and One-time Adj. | Total FY 2006 |
| Plan of Financing | | | | | | | |
| General Fund | \$254,900 | \$1,654,900 | \$0 | \$1,654,900 | \$254,900 | \$0 | \$254,900 |
| School Funds | 1,678,288,000 | 1,783,761,400 | 24,000 | 1,783,785,400 | 1,744,372,400 | 158,073,000 | 1,902,445,400 |
| Federal Funds | 311,336,400 | 314,692,700 | 0 | 314,692,700 | 314,684,000 | 1,106,600 | 315,790,600 |
| Dedicated Credits | 23,947,800 | 23,947,400 | 0 | 23,947,400 | 23,889,200 | 88,100 | 23,957,300 |
| Mineral Lease | 1,499,200 | 1,508,300 | 0 | 1,508,300 | 1,552,700 | 0 | 1,552,700 |
| Restricted and Trust Funds | 560,800 | 580,700 | 0 | 580,700 | 9,482,000 | 1,102,400 | 10,384,400 |
| Transfers | 7,495,000 | 7,020,800 | 0 | 7,020,800 | 7,067,200 | 274,100 | 7,341,300 |
| Beginning Balances | 36,480,400 | 28,473,700 | 0 | 28,473,700 | 8,669,700 | 0 | 8,669,700 |
| Closing Balances | (28,473,700) | (8,669,700) | 0 | (8,669,700) | (8,690,300) | 0 | (8,690,300) |
| Lapsing Funds | (14,264,300) | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Property Tax | 399,036,100 | 404,899,600 | 0 | 404,899,600 | 404,899,600 | 26,902,400 | 431,802,000 |
| Total Financing | \$2,416,120,600 | \$2,559,869,800 | \$24,000 | \$2,559,893,800 | \$2,506,161,400 | \$187,546,600 | \$2,693,708,000 |
| Programs | | | | | | | |
| Public Education | | | | | | | |
| State Office of Education | \$209,293,100 | \$215,864,400 | \$0 | \$215,864,400 | \$214,357,300 | \$935,600 | \$215,292,900 |
| State Office of Rehabilitation | 51,941,100 | 53,123,600 | 24,000 | 53,147,600 | 52,987,200 | 1,470,000 | 54,457,200 |
| Schools for Deaf and Blind | 22,451,400 | 23,142,800 | 0 | 23,142,800 | 22,799,600 | 1,034,500 | 23,834,100 |
| USDB - Institutional Council | 336,300 | 436,800 | 0 | 436,800 | 436,800 | 7,700 | 444,500 |
| Science and the Arts | 2,979,000 | 3,311,500 | 0 | 3,311,500 | 2,991,300 | 0 | 2,991,300 |
| Education Contracts | 3,861,800 | 3,854,800 | 0 | 3,854,800 | 3,854,800 | 0 | 3,854,800 |
| Nutrition Programs | 112,927,300 | 113,087,800 | 0 | 113,087,800 | 113,086,700 | 127,600 | 113,214,300 |
| Minimum School Program | 1,998,763,000 | 2,134,395,500 | 0 | 2,134,395,500 | 2,083,019,100 | 182,742,700 | 2,265,761,800 |
| Trust Fund Interest to Schools | 10,050,000 | 8,820,000 | 0 | 8,820,000 | 8,820,000 | 1,100,000 | 9,920,000 |
| Indirect Cost Pool | 3,515,600 | 3,832,600 | 0 | 3,832,600 | 3,808,400 | 128,500 | 3,936,900 |
| Total Budget | \$2,416,120,600 | \$2,559,869,800 | \$24,000 | \$2,559,893,800 | \$2,506,161,400 | \$187,546,600 | \$2,693,708,000 |
| % Change from Authorized FY 2005 to Total FY 2006 | | | | | | | 5.2% |
| FTE Positions | -- | 1,054.8 | 0.0 | 1,054.8 | 1,051.2 | 3.5 | 1,054.7 |

PUBLIC EDUCATION Capital Budget

| Governor Walker's Recommendations | | | | | | |
|--|---------------------|-----------------------|--------------------|------------------------|---------------------|---------------------|
| | Actual FY 2004 | Authorized FY 2005 | Supple- mentals | Recommended FY 2005 | Base FY 2006 | Total FY 2006 |
| Plan of Financing | | | | | | |
| School Funds | \$27,788,900 | \$27,288,900 | \$2,000,000 | \$29,288,900 | \$27,288,900 | \$27,288,900 |
| Total Financing | \$27,788,900 | \$27,288,900 | \$2,000,000 | \$29,288,900 | \$27,288,900 | \$27,288,900 |
| Projects | | | | | | |
| Capital Outlay Program | \$24,358,000 | \$24,358,000 | \$0 | \$24,358,000 | \$24,358,000 | \$24,358,000 |
| Enrollment Growth Program | 2,930,900 | 2,930,900 | 0 | 2,930,900 | 2,930,900 | 2,930,900 |
| Charter Schools Revolving Loan Fund | 500,000 | 0 | 0 | 0 | 0 | 0 |
| New Century High Schools Initiative | 0 | 0 | 2,000,000 | 2,000,000 | 0 | 0 |
| Total Budget | \$27,788,900 | \$27,288,900 | \$2,000,000 | \$29,288,900 | \$27,288,900 | \$27,288,900 |
| % Change from Authorized FY 2005 to Total FY 2006 | | | | | | 0.0% |

MINIMUM SCHOOL PROGRAM FY 2006

| | Appropriation S.B. 3 FY 2005 | | Governor Recommendations FY 2006 | | Difference FY 2005 - FY 2006 | |
|--|---------------------------------|------------------------|-------------------------------------|------------------------|---------------------------------|------------------|
| | FY 2005 WPU's | \$2,182 | FY 2006 WPU's | \$2,291 | \$ Amount | WPU Percent |
| Plan of Financing | | | | | | |
| Local Revenue | | | | | | |
| 1. Basic Levy | | \$317,590,703 | | \$225,872,138 | \$8,281,435 | 3.81% |
| 2. Voted Leeway | | 146,631,201 | | 162,172,538 | 15,541,337 | 10.60% |
| 3. Board Leeway | | 40,677,673 | | 43,757,326 | 3,079,653 | 7.57% |
| Total Local Contribution | | \$404,899,577 | | \$431,802,002 | \$26,902,425 | 6.64% |
| State Revenue | | | | | | |
| 1. Uniform School Fund | | \$1,565,619,511 | | \$1,813,459,799 | \$147,840,288 | 8.88% |
| 2. Uniform School Fund Building Aid | | 27,288,900 | | 27,288,900 | 0 | 0.00% |
| 3. Uniform School Fund One-time | | 24,300,400 | | 20,500,000 | (3,800,400) | (15.64%) |
| 4. Permanent Trust Fund Interest to Local Schools | | 8,820,000 | | 9,920,000 | 1,100,000 | 12.47% |
| <i>Subtotal - Minimum School Program Act</i> | | <i>\$1,726,028,811</i> | | <i>\$1,871,168,699</i> | <i>\$145,139,888</i> | <i>8.41%</i> |
| Other Bills | | | | | | |
| 1. Education Technology Support for Testing Initiative - SB 51 | | \$5,000,000 | | \$0 | (\$5,000,000) | (100.00%) |
| 2. Reading Achievement Program - SB 230 | | 15,000,000 | | 0 | (15,000,000) | (100.00%) |
| <i>Subtotal Other Bills</i> | | <i>\$20,000,000</i> | | <i>\$0</i> | <i>(\$20,000,000)</i> | <i>(100.00%)</i> |
| Total Revenue | | \$2,150,928,388 | | \$2,302,970,701 | \$152,042,313 | 7.07% |
| Programs | | | | | | |
| A. Regular Basic School Programs | | | | | | |
| 1. Kindergarten | 22,481 | \$49,053,542 | 22,769 | \$52,163,779 | \$3,110,237 | 6.34% |
| 2. Grades 1-12 | 438,303 | 256,377,146 | 445,065 | 1,019,643,915 | 63,266,769 | 6.62% |
| 3. Necessarily Existent Small Schools | 7,667 | 16,729,394 | 7,798 | 17,865,218 | 1,135,824 | 6.79% |
| 4. Professional Staff | 42,814 | 93,420,148 | 43,542 | 99,754,722 | 6,334,574 | 6.78% |
| 5. Administrative Costs | 1,662 | 3,626,484 | 1,662 | 3,807,642 | 181,158 | 5.00% |
| Total Regular Basic School Programs | 512,927 | \$1,119,206,714 | 520,836 | \$1,193,235,276 | \$74,028,562 | 6.61% |
| B. Restricted Basic School Programs | | | | | | |
| 1. Special Education--Regular Program | | | | | | |
| a. Special Education Add-On WPU's | 53,891 | \$117,590,162 | 55,124 | \$126,289,084 | \$8,698,922 | 7.40% |
| b. Self-Contained Regular WPU's | 12,579 | 27,447,378 | 12,854 | 29,448,514 | 2,001,136 | 7.29% |
| 2. Special Education Pre-School | 6,664 | 14,540,848 | 7,252 | 16,614,232 | 2,073,384 | 14.26% |
| 3. Extended Year Program for Severely Disabled | 351 | 765,982 | 357 | 817,887 | 52,005 | 6.79% |
| 4. Special Education--State Programs | 1,378 | 3,006,796 | 2,493 | 5,711,463 (a) | 2,704,667 | 89.95% |
| 5. Applied Technology Education | | | | | | |
| a. Applied Technology Education--District | 23,698 | 51,709,036 | 24,100 | 55,213,100 | 3,504,064 | 6.78% |
| b. Applied Technology--District Set Aside | 1,010 | 2,203,820 | 1,030 | 2,359,730 | 155,910 | 7.07% |
| 6. Class Size Reduction | 30,203 | 65,902,946 | 30,774 | 70,503,234 | 4,600,288 | 6.98% |
| Total Restricted Basic School Programs | 129,774 | \$283,166,868 | 133,984 | \$306,957,344 | \$23,790,476 | 8.40% |
| Total Basic School Program | 642,701 | \$1,402,373,582 | 654,820 | \$1,500,192,620 | \$97,819,038 | 6.98% |

| | | | | |
|--|------------------------|------------------------|----------------------|-----------------|
| C. Related to Basic Program | | | | |
| 1. Social Security and Retirement | \$361,482,231 | \$273,297,434 | \$11,815,203 | 4.52% |
| 2. Pupil Transportation to and from school | 57,061,128 | 60,061,128 | 3,000,000 | 5.26% |
| 3. Transportation Levy Guarantee | 500,000 | 500,000 | 0 | 0.00% |
| 4. Local Discretionary Block Grant | 21,824,448 | 21,824,448 | 0 | 0.00% |
| 5. Interventions for Student Success Block Grant | 14,908,708 | 14,908,708 | 0 | 0.00% |
| 6. Quality Teaching Block Grant | 57,426,623 | 57,426,623 | 0 | 0.00% |
| 7. Math/Science Recruitment and Retention | 0 | 600,000 | 600,000 | 100.00% |
| Total Related to Basic Program | \$413,203,138 | \$428,618,341 | \$15,415,203 | 3.73% |
| D. Categorical Programs | | | | |
| 1. Highly Impacted Schools | \$5,123,207 | \$5,123,207 | \$0 | 0.00% |
| 2. At-Risk Programs | 24,778,484 | 25,690,684 | 912,200 | 3.68% |
| 3. Adult Education | 5,826,865 | 7,426,865 | 1,600,000 | 27.46% |
| 4. Accelerated Learning Programs | 8,695,104 | 8,695,104 | 0 | 0.00% |
| Total Categorical Programs | \$44,423,660 | \$46,935,860 | \$2,512,200 | 5.66% |
| E. Special Purpose Programs | | | | |
| 1. Reading Achievement Program - SB 230 | \$15,000,000 | \$13,500,000 | (\$1,500,000) | (10.00%) |
| 2. Performance Plus 4 - 6 Grade Math Program | 0 | 16,000,000 | 16,000,000 | 100.00% |
| 3. Electronic High School | 700,000 | 1,000,000 | 300,000 | 42.86% |
| 4. Permanent Trust Fund Interest to Schools | 8,820,000 | 9,920,000 | 1,100,000 | 12.47% |
| 5. Charter Schools Local Replacement Funding | 5,002,450 | 10,260,000 | 5,257,550 | 105.10% |
| 6. University of Utah Reading Clinic | 375,000 | 375,000 | 0 | 0.00% |
| 7. Performance Plus - UBSCT Support | 0 | 6,500,000 | 6,500,000 | 100.00% |
| Total Special Purpose Programs | \$29,897,450 | \$57,555,000 | \$27,657,550 | 92.51% |
| F. Board and Voted Leeway Programs | | | | |
| 1. Voted Leeway Program | \$159,084,242 | \$173,595,341 | \$14,510,999 | 9.12% |
| 2. Board Leeway Program | 45,357,016 | 48,284,739 | 2,927,723 | 6.45% |
| Total Board and Voted Leeway Programs | \$204,441,258 | \$221,879,980 | \$17,438,722 | 8.53% |
| G. School Building Aid Program | | | | |
| 1. Capital Outlay Equalization Program | \$34,358,000 | \$34,358,000 | \$0 | 0.00% |
| 2. Enrollment Growth Program | 2,930,900 | 2,930,900 | 0 | 0.00% |
| Total School Building Aid Program | \$37,288,900 | \$37,288,900 | \$0 | 0.00% |
| H. One-time Appropriations | | | | |
| 1. Classroom Supplies | \$5,500,000 | \$5,500,000 | \$0 | 0.00% |
| 2. Adult Education | 1,600,000 | 0 | (1,600,000) | (100.00%) |
| 3. One-time compensation bonus | 17,200,400 | 0 | (17,200,400) | (100.00%) |
| 4. Literacy and math materials | 0 | 10,000,000 | 10,000,000 | 100.00% |
| 5. U-Pass Technology - On Line Testing (SB 51) | 5,000,000 | 5,000,000 | 0 | 0.00% |
| Total One-time Appropriations | \$29,300,400 | \$20,500,000 | (\$8,800,400) | (30.04%) |
| Total Minimum School Program | \$2,150,928,388 | \$2,302,970,701 | \$152,042,313 | 7.07% |

(a) Includes \$2,499,481 in ongoing funds (1.091 WPU's) for high cost/low incidence students

PUBLIC EDUCATION

| PUBLIC EDUCATION FY 2006 OPERATING BUDGET | | | | | | | | | |
|--|----------------|----------------------|--------------------|-------------------|-------------------|--------------------|----------------------|--|--|
| | General Fund | School Funds | Federal Funds | Dedicated Credits | Other Funds | Property Tax Funds | Total Funds | | |
| Beginning Base Budget | | | | | | | | | |
| N7 FY 2005 appropriated budget | \$1,654,900 | \$1,708,761,400 | \$289,263,600 | \$23,846,600 | \$4,662,600 | \$404,899,600 | \$2,510,188,300 | | |
| N2 Adjustments for one-time FY 2005 appropriations | (1,400,000) | (33,489,000) | (111,500) | (31,500) | (4,200) | 0 | (34,036,200) | | |
| N3 Adjustments to funding levels | 0 | (3,900,000) | 25,431,900 | 54,100 | 12,422,900 | 0 | 30,008,900 | | |
| Total Beginning Base Budget - Public Education | 254,900 | 1,744,372,400 | 314,684,000 | 23,869,200 | 18,081,300 | 404,899,600 | 2,506,161,400 | | |
| Statewide Ongoing Adjustments | | | | | | | | | |
| N4 Internal service fund adjustments | 0 | 51,200 | 20,200 | 3,000 | 17,000 | 0 | 91,700 | | |
| N5 Cost-of-living adjustments of 3% | 0 | 602,700 | 473,100 | 33,300 | 130,200 | 0 | 1,239,300 | | |
| N6 Market comparability adjustments | 0 | 401,500 | 317,800 | 19,600 | 40,500 | 0 | 779,400 | | |
| N7 Insurance rate adjustments | 0 | 462,500 | 295,500 | 32,200 | 88,800 | 0 | 879,000 | | |
| <i>Subtotal Statewide Ongoing Adjustments - Public Education</i> | <i>0</i> | <i>1,518,200</i> | <i>1,106,600</i> | <i>88,100</i> | <i>276,500</i> | <i>0</i> | <i>2,989,400</i> | | |
| Ongoing Adjustments | | | | | | | | | |
| N8 MSP - art/album growth | 0 | 28,518,400 | 0 | 0 | 0 | 0 | 28,518,400 | | |
| N9 MSP - Charter Schools Local Replacement Funding growth | 0 | 5,257,600 | 0 | 0 | 0 | 0 | 5,257,600 | | |
| N10 MSP - Youth-in-Orchestra | 0 | 912,200 | 0 | 0 | 0 | 0 | 912,200 | | |
| N11 MSP - Reading Achievement Program | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 1,000,000 | | |
| N12 MSP - WPU increase of 5.0% | 0 | 78,616,300 | 0 | 0 | 0 | 0 | 78,616,300 | | |
| N13 MSP - Pupil Transportation | 0 | 3,000,000 | 0 | 0 | 0 | 0 | 3,000,000 | | |
| N14 MSP - Electronic High School | 0 | 300,000 | 0 | 0 | 0 | 0 | 300,000 | | |
| N15 MSP - Adult Education | 0 | 1,600,000 | 0 | 0 | 0 | 0 | 1,600,000 | | |
| N16 MSP - high cost/low incidence students | 0 | 2,499,200 | 0 | 0 | 0 | 0 | 2,499,200 | | |
| N17 MSP - Math and Science teacher recruitment | 0 | 600,000 | 0 | 0 | 0 | 0 | 600,000 | | |
| N18 MSP - Performance PHS II 4th-6th grade math | 0 | 15,000,000 | 0 | 0 | 0 | 0 | 16,000,000 | | |
| N19 MSP - US SCT support (Performance PHS II) | 0 | 5,500,000 | 0 | 0 | 0 | 0 | 6,500,000 | | |
| N20 USOR - Desf/ard of hearing program growth and operations | 0 | 117,000 | 0 | 0 | 0 | 0 | 117,000 | | |
| N21 USOR - benefit planning assistance (2 FTEs) | 0 | 130,000 | 0 | 0 | 0 | 0 | 130,000 | | |
| N22 USOE - civics, citizenship and service learning Ed. Spec. (1.5 FTEs) | 0 | 112,000 | 0 | 0 | 0 | 0 | 112,000 | | |
| N23 USDB - Pupil Transportation | 0 | 345,600 | 0 | 0 | 0 | 0 | 345,600 | | |
| N24 USDB - Connor Street lease | 0 | 9,800 | 0 | 0 | 0 | 0 | 9,800 | | |
| N25 MSP - Permanent Trust Fund interest to local schools | 0 | 0 | 0 | 0 | 1,100,000 | 0 | 1,100,000 | | |
| N26 MSP - Basic Levy property tax offset | 0 | (3,281,400) | 0 | 0 | 0 | 8,281,400 | 0 | | |
| N27 MSP - Board and Voted Leeways tax offset | 0 | (5,966,700) | 0 | 0 | 0 | 18,621,000 | 12,654,300 | | |
| N28 MSP - Board and Voted Leeways state guarantee | 0 | 4,784,400 | 0 | 0 | 0 | 0 | 4,784,400 | | |
| N29 USOE - eliminate educator licensing USF subsidy | 0 | (416,000) | 0 | 0 | 0 | 0 | (416,000) | | |
| <i>Subtotal Ongoing Adjustments - Public Education</i> | <i>0</i> | <i>133,688,800</i> | <i>0</i> | <i>0</i> | <i>1,100,000</i> | <i>26,902,400</i> | <i>188,691,200</i> | | |
| One-time Adjustments | | | | | | | | | |
| N20 MSP - funding for classroom supplies | 0 | 5,500,000 | 0 | 0 | 0 | 0 | 5,500,000 | | |
| N21 MSP - UPass technology - online testing | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 5,000,000 | | |

PUBLIC EDUCATION - CONTINUED

| | General Fund | School Funds | Federal Funds | Dedicated Credits | Other Funds | Property Tax Funds | Total Funds |
|--|------------------|------------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| NE2 MSP - literacy and math materials | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 10,000,000 |
| NE3 USOE - educator licensing USF subsidy one year extension | 0 | 416,000 | 0 | 0 | 0 | 0 | 416,000 |
| Subtotal One-time Adjustments - Public Education | 0 | 23,916,000 | 0 | 0 | 0 | 0 | 23,916,000 |
| Total FY 2006 Public Education Adjustments | 0 | 158,073,000 | 1,106,600 | 88,100 | 1,376,500 | 26,902,400 | 187,546,600 |
| Total FY 2006 Public Education Operating Budget | \$254,900 | \$1,902,445,400 | \$315,790,600 | \$23,957,300 | \$19,457,800 | \$431,802,000 | \$2,693,708,000 |
| PUBLIC EDUCATION FY 2005 OPERATING BUDGET ADJUSTMENTS | | | | | | | |
| Supplemental Adjustments | | | | | | | |
| NE4 USOE - equipment for Southern Utah Community Center | 0 | \$24,000 | 0 | 0 | 0 | 0 | \$24,000 |
| Subtotal Supplemental Adjustments - Public Education | 0 | 24,000 | 0 | 0 | 0 | 0 | 24,000 |
| Total FY 2005 Public Education Budget Adjustments | 0 | \$24,000 | 0 | 0 | 0 | 0 | \$24,000 |
| PUBLIC EDUCATION FY 2006 CAPITAL BUDGET | | | | | | | |
| Base Budget | | | | | | | |
| NE5 FY 2005 appropriated budget | 0 | \$27,288,900 | 0 | 0 | 0 | 0 | \$27,288,900 |
| Total FY 2006 Public Education Capital Base Budget | 0 | 27,288,900 | 0 | 0 | 0 | 0 | 27,288,900 |
| Total FY 2006 Public Education Capital Budget | 0 | \$27,288,900 | 0 | 0 | 0 | 0 | \$27,288,900 |
| PUBLIC EDUCATION FY 2005 CAPITAL BUDGET ADJUSTMENTS | | | | | | | |
| Supplemental Adjustments | | | | | | | |
| NE6 New Century High Schools Initiative | 0 | \$2,000,000 | 0 | 0 | 0 | 0 | \$2,000,000 |
| Subtotal Supplemental Capital Adjustments - Public Education | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 2,000,000 |
| Total FY 2005 Public Education Capital Supplementals | 0 | \$2,000,000 | 0 | 0 | 0 | 0 | \$2,000,000 |
| PUBLIC EDUCATION TOTALS | | | | | | | |
| FY 2006 Operating Base Budget | \$254,900 | \$1,744,372,400 | \$314,684,000 | \$23,869,200 | \$18,081,200 | \$404,899,600 | \$2,506,161,400 |
| FY 2006 Operating Ongoing and One-time Adjustments | 0 | 153,073,000 | 1,106,600 | 88,100 | 1,376,500 | 26,902,400 | 187,546,600 |
| FY 2006 Operating Recommendation | 254,900 | 1,902,445,400 | 315,790,600 | 23,957,200 | 19,457,800 | 431,802,000 | 2,693,708,000 |
| FY 2005 Operating Adjustments | 0 | 24,000 | 0 | 0 | 0 | 0 | 24,000 |
| FY 2006 Capital Base Budget | 0 | 27,288,900 | 0 | 0 | 0 | 0 | 27,288,900 |
| FY 2006 Capital Recommendation | 0 | 27,288,900 | 0 | 0 | 0 | 0 | 27,288,900 |
| FY 2005 Capital Adjustments | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 2,000,000 |

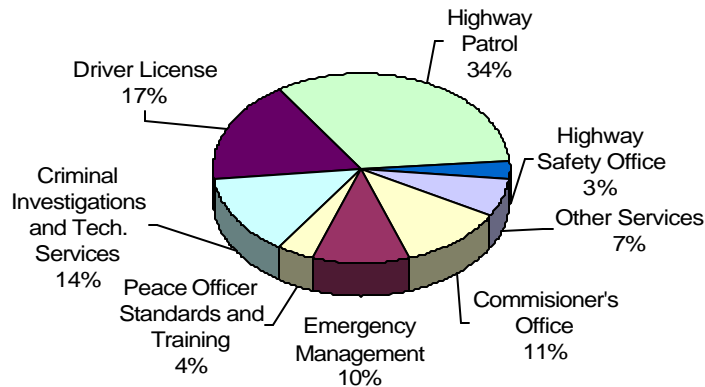


PUBLIC SAFETY

Hunter Finch, Analyst

Where Will My Taxes Go for Public Safety?

(Figure Based on Total FY 2006 Funding)



Highlighted Services

(Including the Governor's Recommendations)

\$40 million for Highway Patrol

- Seizes an estimated 3,600 pounds of illegal substances annually
- Issues approximately 143,000 violations generating \$14 million for cities and counties
- Awarded for the highest decrease in alcohol-related fatalities of any state

\$21 million for Driver License

- Issues 540,000 licenses

\$16 million for Criminal Investigations and Technical Services

- Performs about 254,000 background checks

\$14 million for Commissioner's Office

\$13 million for Emergency Management and Homeland Security

- Trains about 12,500 in homeland security, hazardous materials, and emergency preparedness

\$5 million for Peace Officer Standards and Training

- Trains an estimated 300 new law enforcement officers each year

\$4 million for Highway Safety Office

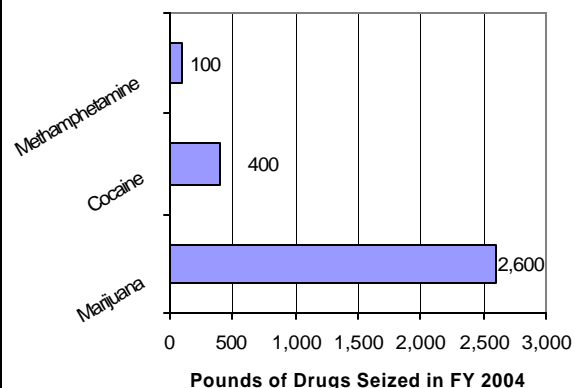
\$8 million for other Public Safety Services

Governor's Recommendation Highlights

(All Funding Sources)

- \$4,306,900 to provide cost-of-living adjustments and market comparability adjustments (MCA), including \$1,900,000 for law enforcement officers' MCA
- \$1,300,000 - Restricted fund increase for insurance and licensing
- \$981,400 - Building leases
- \$750,000 - In-car laptop technology
- \$358,000 - Aero Bureau increased costs
- \$292,800 - Two new positions to meet state and federal records mandates

Drugs Taken Off Utah's Highways



BUDGET OVERVIEW

The Department of Public Safety (DPS) provides quality services to ensure a safe society and protects the rights of all people in Utah.

For FY 2006 the governor recommends DPS receive \$121,086,900 in total funds. This amount includes \$51,673,600 in General Fund, an 11.4 percent increase from the FY 2005 authorized General Fund amount. As shown by the pie chart on the previous page, the largest portion of DPS' budget goes to the Highway Patrol.

In addition to fully funding health and dental rate increases, the FY 2006 recommended appropriation includes \$2,592,000 in General Fund (\$4,306,900 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments. Although employees were given an increase for FY 2005, no increases were given in FY 2003 or FY 2004. As a result, employees' salaries have lagged significantly behind the general job market. For instance, the discrepancies between troopers' wages and wages of officers working for cities and counties have escalated as city and county officers continue to receive wage increases. Consequently troopers' salaries lag 28.5 percent behind the salaries of their peers.

GOVERNOR'S RECOMMENDATIONS

General Fund

- Provide \$498,100 in ongoing funds and \$483,300 in FY 2005 supplemental monies for building leases. These funds will cover previously unfunded increases in leases.
- Provide \$138,900 in ongoing funds for Crown Victoria pre-wired cruisers. This type of vehicle is safer to operate and easier to modify for department use.
- Provide \$146,400 in ongoing funds for two new Bureau of Criminal Identification positions due

to increased workload in meeting federal and state mandates.

- Provide \$750,000 in FY 2005 supplemental monies for in-car technology and equipment. In-car technology enables troopers to reduce their obligated time up to 40 percent.

Other Funds

- Provide an ongoing appropriation of \$300,000 in restricted funds to database improvements for drivers license insurance checks.
- Provide an ongoing appropriation of \$1,000,000 in restricted funds to pay for improvements for licensing administration, records, and driver improvement programs.
- Provide an ongoing appropriation of \$35,000 in restricted funds for unfunded building leases.

FY 2006 PROPOSED LEGISLATIVE INTENT

- Funds appropriated to DPS are nonlapsing.
- DPS may continue with the consolidated line items of appropriation for FY 2006 to assist with management of budget restrictions.
- DPS may expand the fleet if funding is provided through federal aid or other sources for special programs or projects. Fleet vehicles obtained under this intent language will not be eligible for replacement using General Fund borrowing capacity held by the Division of Fleet Operations. Any expansion vehicles obtained during the interim under this intent language shall be reported to the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst.
- Funds appropriated to equip police vehicles are nonlapsing.

- DPS is authorized to advance officers to the Senior Trooper III level from existing appropriations and/or savings.
- Receipts above the appropriated dedicated credit amount of reimbursable flight time for DPS aircraft are nonlapsing and are to be used for major aircraft maintenance.

PUBLIC SAFETY

Operating Budget

| Governor Waller's Recommendations | | | | | | |
|--|----------------------|-----------------------|--------------------|------------------------|----------------------|------------------------------|
| | Actual FY 2004 | Authorized FY 2005 | Supp- lements | Recommended FY 2005 | Base FY 2006 | Ongoing and One-time Adj. |
| Plan of Financing | | | | | | Total FY 2006 |
| General Fund | \$43,567,900 | \$46,396,100 | \$987,700 | \$47,383,800 | \$46,058,900 | \$5,614,700 |
| Transportation Fund | 5,495,500 | 5,495,500 | 0 | 5,495,500 | 5,495,500 | 0 |
| Federal Funds | 37,218,100 | 22,029,600 | 0 | 22,029,600 | 19,829,400 | 370,100 |
| Dedicated Credits | 7,352,700 | 6,070,600 | 0 | 6,070,600 | 5,943,100 | 217,800 |
| Restricted and Trust Funds | 29,391,300 | 34,053,000 | 35,300 | 34,088,300 | 33,875,000 | 2,950,700 |
| Transfers | 3,042,400 | 2,099,000 | 0 | 2,099,000 | 1,775,900 | 13,500 |
| Other Funds | 0 | 0 | 0 | 0 | 0 | 12,800 |
| Pass-through Funds | 861,700 | 473,300 | 0 | 473,300 | 473,300 | 0 |
| Beginning Balances | 2,675,600 | 3,019,300 | 0 | 3,019,300 | 1,396,300 | 0 |
| Closing Balances | (3,019,300) | (1,396,300) | 0 | (1,396,300) | (990,500) | 0 |
| Lapsing Funds | (1,954,000) | (1,949,600) | 0 | (1,949,600) | (1,949,600) | 0 |
| Total Financing | \$124,631,900 | \$116,290,500 | \$1,023,000 | \$117,313,500 | \$111,907,300 | \$9,179,600 |
| Programs | | | | | | \$121,086,900 |
| Public Safety | | | | | | |
| Commissioner's Office | \$5,428,100 | \$14,358,000 | \$876,600 | \$15,234,600 | \$13,003,200 | \$874,300 |
| Emergency Management | 30,606,300 | 12,535,700 | 0 | 12,535,700 | 12,357,300 | 276,400 |
| Peace Officer Standards and Training | 4,968,400 | 6,459,700 | 0 | 6,459,700 | 4,975,900 | 217,900 |
| Criminal Investigations and Tech. Svcs. | 15,678,400 | 15,512,800 | 146,400 | 15,659,200 | 15,314,000 | 1,065,100 |
| Liquor Law Enforcement | 1,299,500 | 1,390,600 | 0 | 1,390,600 | 1,390,600 | 72,100 |
| Driver License | 18,396,600 | 19,118,400 | 0 | 19,118,400 | 18,476,500 | 2,661,600 |
| Highway Patrol | 38,551,700 | 37,037,200 | 0 | 37,037,200 | 36,576,600 | 3,740,100 |
| Highway Safety Office | 3,564,200 | 3,390,200 | 0 | 3,390,200 | 3,579,800 | 45,100 |
| Management Information Systems | 1,520,100 | 1,638,300 | 0 | 1,638,300 | 1,640,300 | 138,400 |
| Fire Marshal | 4,618,600 | 4,649,600 | 0 | 4,649,600 | 4,523,100 | 88,600 |
| Total Budget | \$124,631,900 | \$116,290,500 | \$1,023,000 | \$117,313,500 | \$111,907,300 | \$9,179,600 |
| % Change from Authorized FY 2005 to Total FY 2006 | | | | | | 4.1% |
| FTE Positions | -- | 1.082.0 | 2.0 | 1.084.0 | 1.082.0 | 2.0 |

PUBLIC SAFETY

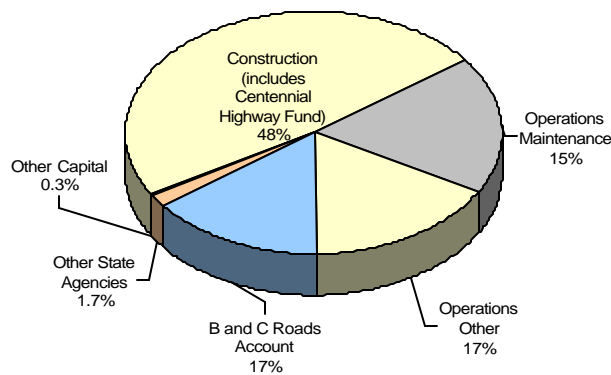
| PUBLIC SAFETY FY 2006 OPERATING BUDGET | | | | | | | |
|---|---------------------|---------------------|---------------------|--------------------|---------------------|------------------|----------------------|
| | General Fund | Transportation Fund | Federal Funds | Dedicated Credits | Restricted Funds | Other Funds | Total Funds |
| Beginning Base Budget | | | | | | | |
| 01 FY 2005 appropriated budget | \$46,296,100 | \$5,492,500 | \$22,029,600 | \$6,070,600 | \$34,033,000 | \$1,679,700 | \$115,724,500 |
| 02 Adjustments for one-time FY 2005 appropriations | (337,200) | 0 | (35,800) | (21,600) | (178,000) | 0 | (572,600) |
| 03 Adjustments to funding levels | 0 | 0 | (2,164,400) | (105,900) | 0 | (974,300) | (3,244,600) |
| Total Beginning Base Budget - Public Safety | 46,058,900 | 5,492,500 | 19,829,400 | 5,943,100 | 33,855,000 | 705,400 | 111,907,300 |
| Statewide Ongoing Adjustments | | | | | | | |
| 04 Cost of living adjustments of 3% | 1,089,000 | 0 | 98,700 | 62,100 | 384,900 | 13,500 | 1,648,200 |
| 05 Internal service fund adjustments | 623,900 | 0 | 11,200 | 13,700 | (38,000) | 0 | 612,800 |
| 06 Market comparability adjustments | 1,503,000 | 0 | 172,800 | 87,700 | 895,200 | 0 | 2,658,700 |
| 07 Insurance benefit adjustments | 863,400 | 0 | 87,400 | 54,300 | 373,200 | 12,800 | 1,391,100 |
| <i>Subtotal Statewide Ongoing Adjustments - Public Safety</i> | <i>4,081,300</i> | <i>0</i> | <i>370,100</i> | <i>217,800</i> | <i>2,615,300</i> | <i>26,300</i> | <i>6,310,800</i> |
| Ongoing Adjustments | | | | | | | |
| 08 DPS leases | 498,100 | 0 | 0 | 0 | 35,400 | 0 | 533,500 |
| 09 Crown Victoria pre-wired cruisers | 138,900 | 0 | 0 | 0 | 0 | 0 | 138,900 |
| 010 Bureau of Criminal Identification/federal/state mandates | 146,400 | 0 | 0 | 0 | 0 | 0 | 146,400 |
| 011 Database to verify insurance | 0 | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| 012 Licensing administration, records & driver improvement | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 1,000,000 |
| <i>Subtotal Ongoing Adjustments - Public Safety</i> | <i>783,400</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>2,335,400</i> | <i>0</i> | <i>2,118,800</i> |
| One-time Adjustments | | | | | | | |
| 013 UHF/MF technology | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| <i>Subtotal One-time Adjustments - Public Safety</i> | <i>750,000</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>750,000</i> |
| Total FY 2006 Public Safety Adjustments | 5,614,700 | 0 | 370,100 | 217,800 | 2,950,700 | 26,300 | 9,179,600 |
| Total FY 2006 Public Safety Operating Budget | \$51,673,600 | \$5,492,500 | \$20,199,500 | \$6,160,900 | \$36,825,700 | \$731,700 | \$121,086,900 |
| PUBLIC SAFETY FY 2005 OPERATING BUDGET ADJUSTMENTS | | | | | | | |
| Supplemental Adjustments | | | | | | | |
| 014 DPS leases | \$483,300 | \$0 | \$0 | \$0 | \$35,300 | \$0 | \$518,600 |
| 015 Aero Bureau funding | 358,000 | 0 | 0 | 0 | 0 | 0 | 358,000 |
| 016 Bureau of Criminal Identification/federal/state mandates | 146,400 | 0 | 0 | 0 | 0 | 0 | 146,400 |
| <i>Subtotal Supplemental Adjustments - Public Safety</i> | <i>987,700</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>35,300</i> | <i>0</i> | <i>1,023,000</i> |
| Total FY 2005 Public Safety Budget Adjustments | \$987,700 | \$0 | \$0 | \$0 | \$35,300 | \$0 | \$1,023,000 |
| PUBLIC SAFETY TOTALS | | | | | | | |
| FY 2006 Operating Base Budget | \$46,058,900 | \$5,492,500 | \$19,829,400 | \$5,943,100 | \$33,855,000 | \$705,400 | \$111,907,300 |
| FY 2006 Operating Ongoing and One-time Adjustments | 5,614,700 | 0 | 370,100 | 217,800 | 2,950,700 | 26,300 | 9,179,600 |
| FY 2006 Operating Recommendation | \$51,673,600 | \$5,492,500 | \$20,199,500 | \$6,160,900 | \$36,825,700 | \$731,700 | \$121,086,900 |
| FY 2005 Operating Adjustments | 987,700 | 0 | 0 | 0 | 35,300 | 0 | 1,023,000 |



TRANSPORTATION

Joseph Brown, Analyst

Where Will My Federal and State Fuel Taxes Go for Transportation? (Figure Based on FY 2006 Funding)



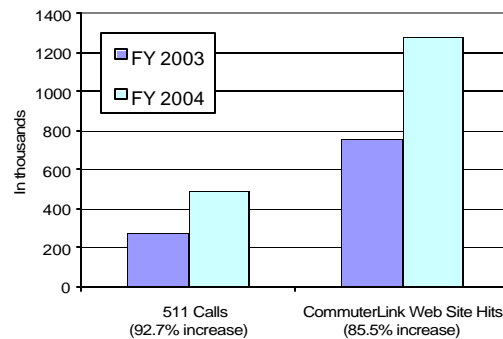
Highlighted Services

(Including the Governor's Recommendations)

\$574 million for Transportation

- Maintains over 6,000 miles of state highways
- 70 percent of all travel miles are on state roads
- Deploys about 130 snowplows along the Wasatch Front during a major snow storm
- Maximizes transportation efficiency through intelligent transportation systems
- Designs and oversees construction of highways
- First state to offer 511, a free travel information phone number
- Oversees 51 airports

Usage of Travel Information is Increasing Rapidly

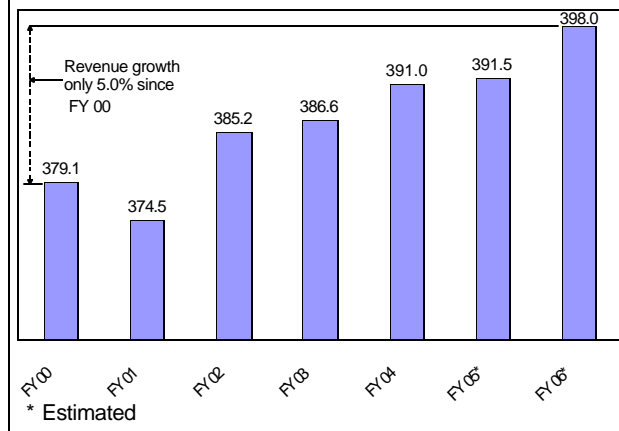


Governor's Recommendation Highlights

(All Funding Sources)

- \$70 million - General obligation bonds for CHF projects
- \$1,020,100 - Additional lane miles maintenance
- \$540,700 - Increased cost of 511 program, traffic management devices, and Traffic Operations Center
- \$1,457,000 - Vernal maintenance complex

Revenue Growth in Transportation Fund is Slow (in millions)



While the CPI is estimated to grow 14.7 percent from FY 2000 to FY 2006, the Transportation Fund revenue is estimated to grow only 5.0 percent over the same period.

BUDGET OVERVIEW

The Utah Department of Transportation (UDOT) provides quality transportation by taking care of current roads, making the highway system work better, improving safety, and increasing road capacity.

For FY 2006 the governor recommends UDOT operations receive \$225,438,800 in total funds. This amount includes \$164,382,100 in Transportation Fund, a 5.2 percent increase from the FY 2005 authorized Transportation Fund amount.

In addition to fully funding health and dental rate increases, the FY 2006 recommended appropriation includes \$5,784,400 in Transportation Fund (\$6,119,100 in total funds) to provide employees with a 3.0 percent cost-of-living salary adjustment and market comparability adjustments. Although employees were given a slight increase for FY 2005, no increases were given in FY 2003 and FY 2004.

The governor recommends the capital budget for UDOT receive \$348,258,400 in total funds for FY 2006. She also recommends \$70,000,000 in general obligation bonds. This capital budget includes \$59,594,700 in General Fund and \$220,176,500 in Transportation Fund.

GOVERNOR'S RECOMMENDATIONS

Transportation Fund

- Provide ongoing funds in Engineering Services for increased costs due to expanded customer use of the 511 program (\$205,000), additional costs associated with increased public demand for services provided by the Traffic Operations Center (\$210,700), and increased maintenance costs of additional traffic management devices (\$125,000).
- Increase ongoing funding in Maintenance Management by \$1,020,100 for costs associated with additional lane miles on state highways.

- Use \$1,457,000 in one-time funding for the Vernal maintenance complex.

General Fund

- Issue \$70,000,000 in general obligation bonds for the Centennial Highway Fund.

FY 2005 PROPOSED LEGISLATIVE INTENT

- If funds are available, Support Services is authorized to not lapse up to \$100,000 for data processing system development.
- If funds are available, Engineering Services is authorized to not lapse up to \$100,000 for special projects and studies.
- If funds are available, Maintenance Management is authorized to not lapse up to \$100,000 for equipment and supplies, \$200,000 for land and buildings environmental cleanup, and \$500,000 for land purchases.
- If funds are available, Region Management is authorized to not lapse up to \$100,000 for special projects and studies.
- If funds are available, Equipment Management is authorized to not lapse up to \$100,000 for equipment and supplies.

FY 2006 PROPOSED LEGISLATIVE INTENT

- All collections or cash income from the sale or salvage of land and buildings are to lapse to the Transportation Fund.
- Any surplus in the Transportation Fund not otherwise appropriated may be used by the department for the construction, rehabilitation, and preservation of state highways in Utah. The appropriation shall fund: first, a maximum participation with the federal government for the construction of federally designated highways as provided by law; next, the rehabilitation and

preservation of state highways as provided by law; and last, the construction of state highways as funding permits.

- The number of FTEs for field crews may be adjusted to accommodate the increase or

decrease in the federal construction program. No portion of the money appropriated by this item shall be used either directly or indirectly to enhance or increase appropriations made to the department for other purposes.

TRANSPORTATION

Operating Budget

| Governor Walker's Recommendations | | | | | | |
|--|----------------------|-----------------------|------------------------|----------------------|------------------------------|----------------------|
| | Actual FY 2004 | Authorized FY 2005 | Recommended FY 2005 | Base FY 2006 | Ongoing and One-time Adj. | Total FY 2006 |
| Plan of Financing | | | | | | |
| General Fund | \$150,100 | \$88,100 | \$88,100 | \$88,100 | \$0 | \$88,100 |
| Transportation Fund | 150,453,800 | 156,304,300 | 156,304,300 | 155,265,100 | 9,117,000 | 164,382,100 |
| Federal Funds | 40,190,000 | 40,485,200 | 40,485,200 | 38,337,900 | 280,900 | 38,618,800 |
| Dedicated Credits | 24,552,200 | 15,348,000 | 15,348,000 | 15,348,000 | 238,900 | 15,586,900 |
| Restricted and Trust Funds | 10,767,600 | 7,221,300 | 7,221,300 | 6,721,300 | 41,600 | 6,762,900 |
| Beginning Balances | 841,600 | 1,565,000 | 1,565,000 | 0 | 0 | 0 |
| Closing Balances | (1,565,000) | 0 | 0 | 0 | 0 | 0 |
| Lapsing Funds | (7,701,600) | 0 | 0 | 0 | 0 | 0 |
| Total Financing | \$217,688,700 | \$221,011,900 | \$221,011,900 | \$215,760,400 | \$9,678,400 | \$225,438,800 |
| Programs | | | | | | |
| Transportation | | | | | | |
| Support Services | \$24,656,700 | \$24,737,100 | \$24,737,100 | \$24,114,400 | \$1,200,000 | \$25,314,400 |
| Engineering Services | 27,842,800 | 29,434,900 | 29,434,900 | 27,411,300 | 2,270,400 | 29,681,700 |
| Maintenance Management | 85,516,600 | 99,028,800 | 99,028,800 | 97,615,200 | 4,077,600 | 101,692,800 |
| Region District Management | 21,157,500 | 22,941,800 | 22,941,800 | 22,332,900 | 1,579,300 | 23,912,200 |
| Equipment Management | 24,838,500 | 17,648,000 | 17,648,000 | 17,565,300 | 509,500 | 18,074,800 |
| Aeronautics | 33,676,600 | 27,221,300 | 27,221,300 | 26,721,300 | 41,600 | 26,762,900 |
| Total Budget | \$217,688,700 | \$221,011,900 | \$221,011,900 | \$215,760,400 | \$9,678,400 | \$225,438,800 |
| % Change from Authorized FY 2005 to Total FY 2006 | | | | | | |
| FTE Positions | -- | 1,730.0 | 1,730.0 | 1,730.0 | 0.0 | 1,730.0 |
| 2.0% | | | | | | |

TRANSPORTATION

Capital Budget

| Governor Walker's Recommendations | | | | | | |
|--|----------------------|-----------------------|------------------------|----------------------|------------------------------|----------------------|
| | Actual FY 2004 | Authorized FY 2005 | Recommended FY 2005 | Base FY 2006 | Ongoing and One-time Adj. | Total FY 2006 |
| | | | | | | FY 2006 Bond |
| Plan of Financing | | | | | | |
| General Fund | \$59,594,700 | \$59,594,700 | \$59,594,700 | \$59,594,700 | \$0 | \$59,594,700 |
| Transportation Fund | 231,599,300 | 225,792,700 | 225,792,700 | 218,719,500 | 1,457,000 | 220,176,500 |
| Federal Funds | 224,761,000 | 154,135,100 | 154,135,100 | 144,684,100 | 0 | 144,684,100 |
| Dedicated Credits | 15,798,400 | 1,550,000 | 1,550,000 | 1,550,000 | 0 | 1,550,000 |
| Mineral Lease | 27,976,500 | 29,120,000 | 29,120,000 | 29,903,500 | 0 | 29,903,500 |
| Restricted and Trust Funds | 17,777,600 | 18,743,000 | 18,743,000 | 18,743,000 | 0 | 18,743,000 |
| FY 2006 G.O. Bond | 0 | 0 | 0 | 0 | 0 | 70,000,000 |
| Transfers | (91,724,800) | (118,901,800) | (118,501,800) | (125,371,200) | (1,022,200) | (126,393,400) |
| Other Funds | 1,155,800 | 0 | 0 | 0 | 0 | 0 |
| Beginning Balances | 1,862,500 | 1,542,700 | 1,542,700 | 0 | 0 | 0 |
| Closing Balances | (1,542,700) | 0 | 0 | 0 | 0 | 0 |
| Lapsing Funds | (6,981,400) | 0 | 0 | 0 | 0 | 0 |
| Total Financing | \$480,276,900 | \$371,576,400 | \$371,576,400 | \$347,823,600 | \$434,800 | \$348,258,400 |
| | | | | | | \$70,000,000 |
| Projects | | | | | | |
| Construction | \$273,400,300 | \$182,553,200 | \$182,553,200 | \$159,463,400 | \$0 | \$159,463,400 |
| Sidewalk Construction | 675,400 | 1,931,700 | 1,531,700 | 500,000 | 0 | 500,000 |
| B&C Road Account | 110,221,900 | 114,988,200 | 114,588,200 | 114,138,200 | 0 | 114,138,200 |
| Maintenance Sheds | 0 | 0 | 0 | 0 | 1,457,000 | 1,457,000 |
| Centennial Highway Fund | 67,858,400 | 42,872,300 | 42,872,300 | 43,818,500 | (1,022,200) | 42,796,300 |
| Mineral Lease Programs | 28,120,900 | 29,231,000 | 29,231,000 | 29,903,500 | 0 | 29,903,500 |
| Total Budget | \$480,276,900 | \$371,576,400 | \$371,576,400 | \$347,823,600 | \$434,800 | \$348,258,400 |
| % Change from Authorized FY 2005 to Total FY 2006 | | | | | | (6.3%) |

CENTENNIAL HIGHWAY FUND

(In Millions of Dollars)

| | Through FY 1999 | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | Total |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|----------------|
| Annual Funding Available | | | | | | | | | | |
| 1 Beginning Balance | 0.0 | 284.9 | 119.1 | 48.7 | 142.6 | 211.0 | 216.9 | 102.5 | 0.3 | |
| 2 General Fund | 298.0 | 122.0 | 137.0 | 146.0 | 59.6 | 59.6 | 59.6 | 59.6 | 59.6 | 1,000.9 |
| 3 General Fund I-15 Savings Transfer | 0.0 | 0.0 | 0.0 | (21.2) | (10.8) | 0.0 | 0.0 | 0.0 | 0.0 | (32.0) |
| 4 General Fund Sales Tax (1/64 cent) | 0.0 | 2.8 | 5.4 | 4.9 | 4.8 | 4.6 | 5.2 | 5.4 | 5.6 | 38.7 |
| 5 Transit Tax Revenue | 0.0 | 0.0 | 0.0 | 0.9 | 6.2 | 2.5 | 0.0 | 0.0 | 0.0 | 9.6 |
| 6 Transportation Funds - Gas Tax 5.5 Cents | 112.2 | 58.3 | 60.0 | 61.8 | 63.7 | 63.6 | 67.6 | 69.6 | 71.7 | 630.5 |
| 7 Department Contribution | 18.0 | 7.4 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 67.4 |
| 8 Registration Fee Increase | 30.9 | 17.2 | 17.4 | 18.1 | 18.7 | 19.6 | 20.6 | 21.6 | 22.0 | 186.1 |
| 9 Investment Income | 40.9 | 8.4 | 2.9 | 0.3 | 5.4 | 2.8 | 1.4 | 0.9 | 0.7 | 63.7 |
| 10 General Obligation Bonds Issued | 908.0 | 0.0 | 0.0 | 126.3 | 151.6 | 95.3 | 47.0 | 0.0 | 0.0 | 1,328.1 |
| 11 Premiums on Bonds Issued | 19.8 | 0.0 | 0.0 | 0.0 | 11.2 | 14.0 | 3.0 | 0.0 | 0.0 | 48.1 |
| 12 Less: Issuance Costs | (4.5) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (4.5) |
| 13 Less: Debt Service - Interest/Fees | (64.7) | (42.2) | (44.2) | (48.9) | (51.3) | (52.9) | (54.7) | (50.9) | (46.8) | (456.6) |
| 14 Less: Debt Service - Principal | 0.0 | 0.0 | 0.0 | (33.8) | (35.6) | (47.8) | (72.5) | (77.6) | (81.5) | (348.8) |
| 15 Federal Sources | 80.8 | 45.1 | 105.1 | 46.9 | 34.8 | 42.3 | 34.6 | 34.0 | 26.4 | 450.0 |
| 16 Local Governments | 6.9 | 0.1 | 8.3 | (8.4) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.9 |
| Recommended Bonding | | | | | | | | | | |
| 17 General Obligation Bonds | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 70.0 | 246.0 | 316.0 |
| 18 Less: Issuance Costs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.4) | (1.5) | (1.9) |
| 19 Less: Debt Service - Interest/Fees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (3.0) | (14.1) | (17.1) |
| 20 Less: Debt Service - Principal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 21 Total Annual Funding Available | 1,446.5 | 503.9 | 417.0 | 347.6 | 407.0 | 422.5 | 334.7 | 237.7 | 294.3 | 3,285.2 |
| Project Expenditures | | | | | | | | | | |
| 22 I-15 Project Costs | 1,034.1 | 322.1 | 167.0 | 54.0 | 3.1 | 4.6 | 5.1 | 0.0 | 0.0 | 1,590.0 |
| 23 I-15 Project Costs Savings | 0.0 | 0.0 | 0.0 | (32.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (32.0) |
| 24 Other Projects | 127.5 | 62.7 | 201.3 | 183.0 | 192.9 | 201.0 | 237.0 | 237.4 | 293.6 | 1,726.4 |
| 25 Total Project Expenditures | 1,161.6 | 384.8 | 368.3 | 205.0 | 196.0 | 205.6 | 232.1 | 237.4 | 293.6 | 3,284.4 |
| 26 Ending Balance | 284.9 | 119.1 | 48.7 | 142.6 | 211.0 | 216.9 | 102.5 | 0.3 | 0.8 | |
| 27 Bond Debt Outstanding | 908.0 | 908.0 | 908.0 | 1,000.5 | 1,105.9 | 1,130.4 | 1,104.9 | 1,097.3 | 1,261.8 | |
| 28 Net Cash Balance (Line 26 less: Line 27) | (623.1) | (788.9) | (859.3) | (857.9) | (894.9) | (913.5) | (1,002.4) | (1,097.0) | (1,260.9) | |

Notes to Form YN-100:

- (1) Savings from the I-15 project transferred to General Fund.
- (2) Sales tax generated by the 1/64 percent tax rate that previously went to the Sports Authority Special Revenue Fund.
- (3) Revenue estimate from a quarter of the quarter cent transit tax increase passed by Salt Lake County voters in the 2000 General Election.
- (4) Transportation revenues from fuel tax increase passed in the 1997 General Session. Growth rate is 3.0 percent per year.
- (5) Transportation revenues from auto and truck registration fee increase passed in the 1997 General Session.
- (6) Anticipated federal funding above what Utah normally receives annually.
- (7) Estimated revenue from sources other than state money.
- (8) Estimated bonding needed to finance expenditures.

TRANSPORTATION

| TRANSPORTATION FY 2006 OPERATING BUDGET | | | | | | | | | |
|---|---------------------|----------------------|---------------------|---------------------|--------------------|----------------------|----------------------|--|--|
| | General Fund | Transportation Fund | Federal Funds | Dedicated Credits | Restricted Funds | Other Funds | Total Funds | | |
| Beginning Base Budget | | | | | | | | | |
| P1 FY 2005 appropriated budget | \$88,100 | \$155,304,200 | \$40,485,200 | \$15,654,900 | \$11,221,300 | \$0 | \$223,753,800 | | |
| P2 Adjustments for one-time FY 2005 appropriations | 0 | (1,039,200) | (111,000) | (58,400) | (303,800) | 0 | (1,712,400) | | |
| P3 Adjustments to funding levels | 0 | 0 | (2,036,300) | (248,500) | (3,996,200) | 0 | (6,281,000) | | |
| Total Beginning Base Budget - Transportation | \$88,100 | 155,265,100 | 38,337,900 | 15,348,000 | 6,721,300 | 0 | 215,760,400 | | |
| Statewide Ongoing Adjustments | | | | | | | | | |
| P4 Cost-of-living adjustments of 3% | 0 | 2,390,100 | 173,100 | 127,200 | 21,600 | 0 | 2,712,000 | | |
| P5 Internal service fund adjustments | 0 | 212,100 | 3,400 | 9,400 | 400 | 0 | 225,300 | | |
| P6 Market comparability adjustments | 0 | 3,394,300 | 0 | 4,100 | 8,700 | 0 | 3,407,100 | | |
| P7 Insurance rate adjustments | 0 | 1,559,700 | 104,400 | 98,200 | 10,900 | 0 | 1,773,200 | | |
| <i>Subtotal Statewide Ongoing Adjustments - Transportation</i> | <i>0</i> | <i>7,556,200</i> | <i>280,900</i> | <i>238,900</i> | <i>41,600</i> | <i>0</i> | <i>8,117,600</i> | | |
| Ongoing Adjustments | | | | | | | | | |
| P8 Engineering Services - 511 costs | 0 | 205,000 | 0 | 0 | 0 | 0 | 205,000 | | |
| P9 Engineering Services - Traffic Operations Center increased costs | 0 | 210,700 | 0 | 0 | 0 | 0 | 210,700 | | |
| P10 Engineering Services - traffic signal and ramp metering costs | 0 | 125,000 | 0 | 0 | 0 | 0 | 125,000 | | |
| P11 Maintenance Management - inventory increase Region 1 | 0 | 205,900 | 0 | 0 | 0 | 0 | 205,900 | | |
| P12 Maintenance Management - inventory increase Region 2 | 0 | 610,200 | 0 | 0 | 0 | 0 | 610,200 | | |
| P13 Maintenance Management - inventory increase Region 3 | 0 | 78,400 | 0 | 0 | 0 | 0 | 78,400 | | |
| P14 Maintenance Management - inventory increase Richfield District | 0 | 600 | 0 | 0 | 0 | 0 | 600 | | |
| P15 Maintenance Management - inventory increase Price District | 0 | 107,500 | 0 | 0 | 0 | 0 | 107,500 | | |
| P16 Maintenance Management - inventory increase Cedar City Dist. | 0 | 17,500 | 0 | 0 | 0 | 0 | 17,500 | | |
| <i>Subtotal Ongoing Adjustments - Transportation</i> | <i>0</i> | <i>1,560,800</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>1,560,800</i> | | |
| Total FY 2006 Transportation Adjustments | 0 | 7,117,000 | 280,900 | 238,900 | 41,600 | 0 | 9,678,400 | | |
| Total FY 2006 Transportation Operating Budget | \$88,100 | \$164,382,100 | \$38,618,800 | \$15,586,900 | \$6,762,900 | \$0 | \$225,438,800 | | |
| TRANSPORTATION FY 2006 CAPITAL BUDGET | | | | | | | | | |
| Base Budget | | | | | | | | | |
| P17 FY 2005 appropriated budget | \$59,594,700 | \$223,792,700 | \$154,523,700 | \$1,550,000 | \$18,743,000 | (\$102,102,200) | \$358,101,900 | | |
| P18 Adjustments to funding levels | 0 | (7,073,200) | (9,839,600) | 0 | 0 | 6,634,500 | (10,278,300) | | |
| Total FY 2006 Transportation Capital Base Budget | \$59,594,700 | 216,719,500 | 144,684,100 | 1,550,000 | 18,743,000 | (\$5,467,700) | 347,823,600 | | |

TRANSPORTATION - CONTINUED

| | | | | | | | | | | | | | |
|------------------------------|---|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|------------|------------|------------|------------|-----------------------|----------------------|
| Ongoing Adjustments | | | | | | | | | | | | | |
| P19 | Central Highway Fund - debt service transfer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,022,200) |
| | Subtotal Ongoing Capital Adjustments - Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,022,200) |
| One-time Adjustments | | | | | | | | | | | | | |
| P20 | Vernal area water and sewer complex | 0 | 1,457,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,457,000 |
| | Subtotal One-time Capital Adjustments - Transportation | 0 | 1,457,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,457,000 |
| | Total FY 2006 Transportation Capital Adjustments | 0 | 1,457,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,022,200) | 434,800 |
| | Total FY 2006 Transportation Capital Budget | \$59,594,700 | \$220,176,500 | \$144,684,100 | \$1,550,000 | \$18,743,000 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$96,489,900) | \$348,258,400 |
| TRANSPORTATION TOTALS | | | | | | | | | | | | | |
| | FY 2006 Operating Base Budget | \$88,100 | \$155,265,100 | \$38,237,900 | \$15,348,000 | \$6,721,300 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$215,760,400 |
| | FY 2006 Operating Ongoing and One-time Adjustments | 0 | 9,117,000 | 280,900 | 238,900 | 41,600 | 0 | 0 | 0 | 0 | 0 | 0 | 9,678,400 |
| | FY 2006 Operating Recommendation | \$88,100 | 164,382,100 | 38,618,800 | 15,586,900 | 6,762,900 | 0 | 0 | 0 | 0 | 0 | 0 | 225,438,800 |
| | FY 2006 Capital Base Budget | 59,594,700 | 213,719,500 | 144,684,100 | 1,550,000 | 18,743,000 | (95,467,700) | 0 | 0 | 0 | 0 | (1,022,200) | 347,823,600 |
| | FY 2006 Capital Ongoing and One-time Adjustments | 0 | 1,457,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 434,800 |
| | FY 2006 Capital Recommendation | 59,594,700 | 220,176,500 | 144,684,100 | 1,550,000 | 18,743,000 | (96,489,900) | 0 | 0 | 0 | 0 | (96,489,900) | 348,258,400 |